



Honorable Michael T. McRaith  
Director of Insurance  
Illinois Department of Insurance  
320 West Washington Street  
4<sup>th</sup> Floor  
Springfield, Illinois 62767

May 10, 2011

**RECEIVED**

MAY 11 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD

Attention: Mr. John Gatlin, Director of Property/Casualty Compliance Unit

RE: Galen Insurance Company

NAIC Company Code: 12361

FEIN Number: 86-1123749 ✓

Galen Filing Number: 5-2011

RATZ/RULE

Physician Professional Liability Premium Rating Plan

Revisions to Territory Descriptions, Premium Modifiers and Schedule Rating

Effective Date Requested: April 21, 2011

**FILED**

APR 21 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

Dear Mr. Gatlin,

Galen Insurance Company submits for your review and consideration its revised Illinois Rating Plan for physicians and surgeons professional liability insurance coverage. The proposed changes to our rating plan involve revised territory descriptions for territory 1, 3, 5, 6, 7 and addition of territory 8, with no changes to the relativities for these respective territories. These territories were formerly listed at page IL-12 of our March 2009 filing and are listed at page IL-16 of this May, 2011 filing. The territorial description changes are as follows: For territory 1, we have added Cook and Will counties. For territory 3, we have added DeKalb and Ogle counties. For territory 5, we have added Dupage county. For territory 6, the description is now "Remainder of counties not listed." Territory 7 now reads "Kane, McHenry and Winnebago counties" and we have added territory 8 for Lake and Vermillion counties. We have listed the territories based on highest to lowest territorial relativity.

The next changes occur in the premium modifiers found at 8.D. of this filing at page IL-18 which was page IL-14 of the March, 2009 filing. Formerly, 8.D. was the Deductible Credits which we have moved, without change, to 8.F. at page IL-19 of this filing. 8.D. is now titled "Completion of Training/Education/Accreditation/ and Participation in Galen Risk Management Activities Program" and represents a non-discretionary, mandatory premium credit. In response to concerns raised by the casualty actuarial section of the Department with regard to the industry-wide potential for unfair discrimination in the application of higher scheduled credits/debits, Galen has deleted and removed the discretionary scheduled credit/debit for Qualifications/Training/Continuing Education, including Board Eligibility and Board Certification, formerly found at page IL-15 of our March, 2009 filing at 8.F. as well as Practice Patterns, Compliance with applicable regulations and Employee selection, supervision, training and experience also formerly found at page IL-15 of the March 2009 filing at 8.F. We have replaced 8.F. with

1-0  
MEM  
RUL  
JGH



May 10, 2011  
Page Two

Section 8.H., which can be found at page IL-20 of the 5-2011 revised filing. Section 8.G in the March, 2009 filing, Experience Rating Schedule for Groups, has been deleted in its entirety. Galen has added a mandatory Group Size Credit, which our competitors have utilized. The new Group Size Credit may be found at 8.E on page IL-19 of this May, 2011 filing. The realignment of credits for education, training, accreditation and risk management as well as group size are meant to avoid the potential for unfair discrimination in the application of higher and duplicative scheduled credits/debits which concern, as pointed out above, has been raised by the Casualty Actuarial Section of the Illinois Insurance Department and Mr. Robert J. Walling of Pinnacle Actuarial Resources, Inc., retained by the Department to review the actuarial aspects of medical malpractice professional liability insurance rate filings. We are therefore providing a copy of this filing to Ms. Caryn Carmean. This realignment and removal of elements of the scheduled discretionary discounts would also result in a decrease from 35% to a 25% cap for all scheduled rating credits and debits. The consent to settle waiver, formerly section 8.E of the March, 2009 filing at page IL-14, is now section 8.G of the revised filing at page IL-20 and remains unchanged.

The filing changes made by Galen Insurance Company in this revised filing 5-2011 have actuarial support from Galen's independent actuary, Towers Watson, and we have enclosed both the actuarial certification and memorandum from our independent actuary, Mr. Russell Sutter of Towers Watson, with this filing in addition to Section 754 Exhibit A. Form RF-3 and Illinois Certification Form signed by our President and independent actuary.

Galen is providing duplicate originals of this filing together with a stamped self-addressed envelope so that we may receive stamped pages of the filing upon completion of your review.

Please contact me should you have any questions with regard to this filing. I may be reached at 1-314-721-2366 or via email at [sperhacs@galeninsurance.com](mailto:sperhacs@galeninsurance.com).

Sincerely,

A large, stylized handwritten signature in black ink, which appears to read "Scott F. Perhacs".

Scott F. Perhacs


cc: Ms. Caryn C. Carmean  
Casualty Actuarial Section

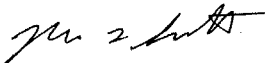
# ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, George Schoedinger, III, M.D., a duly authorized officer of Galen Insurance Company, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Russel L. Sutter, a duly authorized actuary of Towers Watson am authorized to certify on behalf of Galen Insurance Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

 , President/CEO 5/10/11  
Signature and Title of Authorized Insurance Company Officer Date

 , FCAS, MAAA, Senior Consultant 5/10/11  
Signature, Title and Designation of Authorized Actuary Date

Insurance Company FEIN 86-1123749 Filing Number 5-2011

Insurer's Address 6822 Delmar Blvd.

City Saint Louis State Missouri Zip Code 63130

Contact Person's:

-Name and E-mail Scott Perhacs, sperhacs@galeninsurance.com

-Direct Telephone and Fax Number (P) 314-721-2366 x2 (F) 314-721-2377

## Neuman, Gayle

---

**From:** Lisa Pigg [lpigg@galeninsurance.com]  
**Sent:** Thursday, December 22, 2011 10:56 AM  
**To:** Neuman, Gayle  
**Subject:** re: Galen Insurance Company - medical malpractice rates/rule filings:

Ms. Neuman,

In response to your email with regard to Galen Insurance Company medical malpractice rate/rule filings #Galen 2009-2 effective April 1, 2009, #Galen 2011-1, effective January 7, 2011 and #Galen 5-2011 effective April 21, 2011, Galen Insurance Company would request the same effective dates as were requested in our original filings and that the effective dates listed next to each filing be the effective dates for each respective filing. For Galen medical malpractice rate/rule filing 2009-2, we would request the April 1, 2009 effective date, for Galen rate/rule filing 2011-1, we would request the January 7, 2011 effective date and for Galen rate/rule filing 5-2011, Galen would request the April 21, 2011 effective date.

Sincerely,

Lisa Pigg  
Administrative Assistant  
P 314-721-2366  
F 314-721-2377  
[www.galeninsurance.com](http://www.galeninsurance.com)

## Neuman, Gayle

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**From:** Neuman, Gayle  
**Sent:** Wednesday, December 21, 2011 11:05 AM  
**To:** 'lpigg@galeninsurance.com'  
**Subject:** Galen Insurance Company - medical malpractice rate/rule filings

Re: #Galen 2009-2 effective April 1, 2009  
#Galen 2011-1 effective January 7, 2011  
#Galen 5-2011 effective April 21, 2011

Ms. Pigg,

The Department of Insurance completed its review of the filings referenced above on December 14, 2011. Originally, Galen requested the filings be effective on the dates listed above. Was each filing put in effect on the dates listed above or do you wish to have a different effective date?

Your prompt response is appreciated.

*Gayle Neuman*

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at [www.insurance.illinois.gov](http://www.insurance.illinois.gov).

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: [GAYLE.NEUMAN@ILLINOIS.GOV](mailto:GAYLE.NEUMAN@ILLINOIS.GOV).

## Section 754.EXHIBIT A Summary Sheet (Form RF-3)

**RECEIVED**

MAY 11 2011

FORM (RF-3)

## SUMMARY SHEET

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELDChange in Company's premium or rate level produced by rate revision  
effective April 21, 2011.

	(1) Coverage	(2) Annual Premium Volume (Illinois) *	(3) Percent Change (+or-) **
1.	Automobile Liability Private Passenger		
	Commercial		
2.	Automobile Physical Damag Private Passenger		
	Commercial		
3.	Liability Other Than Auto		
4.	Burglary and Theft		
5.	Glass		
6.	Fidelity		
7.	Surety		
8.	Boiler and Machinery		
9.	Fire		
10.	Extended Coverage		
11.	Inland Marine		
12.	Homeowners		
13.	Commercial Multi-Peril		
14.	Crop Hail		
15.	Other <small>Line 11.2 Medical Professional Liability Claims-Made</small>	Estimated Premium \$146,000	\$0
	Life of Insurance		

Does filing only apply to certain territory (territories) or certain  
Classes? If so,  
specify: No

Brief description of filing. (If filing follows rates of an advisory  
Organization, specify  
organization):

Change territorial descriptions, realign, remove and reduce elements of discretionary credits by moving to non-discretionary  
credits as more fully explained in detail in the attached Cover Letter/ Explanatory Memorandum.

\*Adjusted to reflect all prior rate changes.

\*\*Change in Company's premium level which will result from application of new  
rates.

Galen Insurance Company

Name of Company

Scott F. Perhacs - Chief Underwriter

Official - Title

**Galen Insurance Company  
Illinois Physicians and Surgeons Professional Liability  
2011 Rate Change Filing  
Actuarial Memorandum**

Galen Insurance Company (Galen) is submitting this memorandum and attachments as support for a change in its rating for physicians and surgeons professional liability in Illinois. This actuarial memorandum has been prepared by Towers Watson. Galen has retained Towers Watson in order to assist Galen in the development of its rates. Please note that the final selections on the rates and credits were made by Galen, not Towers Watson.

One of the changes in this filing is to expand the territory definitions to include all counties within the state of Illinois. There are no changes to the existing territory rates or relativities. The territory definitions and relativities are based on a review of publicly available rate manuals from companies writing physician professional liability in Illinois.

Another set of changes as part of this filing is to modify the schedule rating factors. This was done by making some of the schedule adjustments as non-discretionary premium credits. As a result, there is less reliance on discretionary credits in the rating of physician policies.

A third change that is being made in this filing is to modify the rating of groups. Beginning with this filing, physician groups will be eligible for discounts based solely on the size of the group. This replaces a rating that was more discretionary in nature, contemplating not only the group's size but also its loss experience and other subjective criteria. This also places less reliance on discretionary credits when rating physician policies.

There is no overall rate level impact based on the changes being submitted with this filing.

It is our understanding that the expanded territory definitions and changes to the premium modifiers are effective on April 21, 2011.

## Neuman, Gayle

---

**From:** Neuman, Gayle  
**Sent:** Thursday, September 15, 2011 2:33 PM  
**To:** 'Scott Perhacs'  
**Subject:** Galen Insurance Company - Filing #5-2011

Mr. Perhacs,

I am in receipt of the above referenced filing submitted with your cover letter dated May 10, 2011. Please address the following questions/concerns. Pursuant to 50 Ill. Adm. Code 754.10, identification of all changes in all superseding filings, as well as identification of all superseded filings is required.

1. The installment payments option is no longer in the manual. I was reviewing the 2011-1 filing and the information was there. Please advise.
2. Also in the 2011-1 filing (which was the most recent), the extended reporting period factors were different. Please advise when this change was presented.
3. In the 5-2011 filing, there is a new column of debits for loss free credits. I think this must be an error. Please advise.
4. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used? This information is required in every rate/rule filing for medical malpractice.

I request receipt of your response by September 26, 2011.

*Gayle Neuman*

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at [www.insurance.illinois.gov](http://www.insurance.illinois.gov).

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**Neuman, Gayle**

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**From:** Admin@galeninsurance.com [sperhacs@galeninsurance.com]  
**Sent:** Thursday, September 15, 2011 2:34 PM  
**To:** Neuman, Gayle  
**Subject:** Invalid email Address

Thank you for contacting Galen Insurance. The email that you have entered is no longer active. Please direct you inquiry to Lisa Pigg lpigg@galeninsurance.com



**RECEIVED**

SEP 23 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD

September 23, 2011

**Certified Mail  
Return Receipt Requested**

Ms. Gayle Neuman  
Compliance Analyst  
Property and Casualty Compliance Unit  
Illinois Department of Insurance  
320 W. Washington Street  
Springfield, Illinois 62767-0001

RE: **Galen Filing 5-2011**

Dear Ms. Neuman:

1. The installment payments continues to be an option for all Galen Insurance Company insureds. Galen insureds have the option of making three equal installments of 25% of the annual premium following an initial deposit premium of 25%. The subsequent installments of 25% would be due 3, 6 and 9 months following the policy effective date. We would also like to provide the insured with the option of paying 40% deposit premium and thereafter three equal installments of 20% each, 3, 6 and 9 months from the policy effective date.

Please let me know if you would like me to insert this wording in the 5-2011 rate filing.

2. The 5-2011 filing should have indicated that the extended reporting period factors are changed from those presented in the 2011-1 filing since the factors presented for unlimited reporting period are 1.2 for 1 year of prior claims made coverage, 1.8 for 2 years of prior claims made coverage, 2.1 for 3 years of prior claims made coverage and 2.5 for 4+ years of prior claims made coverage. The three (3) year tail factors Galen would like to use are .65 for 1 year, 1.15 for 2 years, 1.45 for 3 years and 1.75 respectively for 4 plus years of prior claims made coverage. The error in not presenting the tail factor changes was inadvertent on Galen's behalf.

Ms. Gayle Neuman  
September 23, 2011  
Page Two

3. You are correct, this was in error and no debits have been applied.
4. Galen intends to collect its own medical liability statistics, in consultation with the actuarial firm of Towers Watson, and does not plan to report statistics to any agency other than as required by those that regulate the company. We shall, of course, continue to gather statistics and data about our business in order to manage it effectively.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan F. Andres", with a stylized, flowing script.

Jonathan F. Andres  
Corporate Counsel

## Neuman, Gayle

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**From:** Neuman, Gayle  
**Sent:** Monday, September 26, 2011 8:21 AM  
**To:** 'lpigg@galeninsurance.com'  
**Subject:** Galen Ins Co - Filing #5-2011

Ms. Pigg,

I am in receipt of a letter dated September 23, 2011 from Jonathan F. Andres, Corporate Counsel. Unfortunately, new manual pages were not provided with his response to address the issues noted. Please forward the corrected manual pages at your earliest convenience.

*Gayle Neuman*

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at [www.insurance.illinois.gov](http://www.insurance.illinois.gov).

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## Neuman, Gayle

---

**From:** Jonathan Andres [Andres@stlouislaw.com]  
**Sent:** Monday, September 26, 2011 1:50 PM  
**To:** Neuman, Gayle  
**Subject:** Galen Insurance Company  
**Attachments:** revised Index 9.26.11.pdf; Revised IL-18 9.26.11.pdf; Revised IL-22 9.26.11.pdf

Dear Ms. Neuman,

Please find attached revised pages IL-2, IL-18 and additional page IL-22 of Galen's 5-2011 Illinois Rating Plan for Physicians and Surgeons professional liability insurance coverage. The revised page IL-18 reflects the removal of the debits column for loss free credits as you point out in point 3. of your email of September 15, 2011 and a separate page IL-22 includes the premium installment payments option for the insured. Page IL-2, Table of Contents has also been amended to reflect this addition as item 13. Premium Installment Payment Option.

Please let me know if you have any questions.

Sincerely,

Jonathan Andres  
General Counsel  
Galen Companies  
(314) 862-6800

Green Jacobson PC  
7733 Forsyth, Suit 700  
St. Louis, MO 63105

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### C. Loss Free Credit

Years Indemnity Free at Policy Inception or Renewal Date:

	Credit	Debit
1 Year	5%	5%
2 Years	6%	6%
3 Years	7%	7%
4 Years	8%	8%
5 Years	9%	9%
6 +	10%	10%

### D. Completion of Training/Education/Accreditation/ and Participation in Galen Risk Management Activities Program

The discounts in D. 1-4 shall only apply to physicians in at least their third year of maturity at the inception of coverage. A physician may only qualify for one of the credits specified below in D.1 or 2.

		Credit
1. Board Certified	Board Certified in specialty area in which the physician currently practices and is applying for coverage	15%
2. Board Eligible	Board Eligible in specialty area in which physician currently practices and is applying for coverage by having completed both an internship and full residency program subsequent to medical school graduation and otherwise has met and complied with all other pre-requisites required to sit for the Board Examination.	7.5%
3. Continuing Medical Education	Continuing Medical Education. This credit would be applied to physicians who have completed at least thirty (30) annual hours of continuing medical education and have provided Galen Insurance Company with written documentation confirming such completion.	5%
4. Risk Management Activities Discount	Participation in Galen Insurance Company Risk Management Program. This discount would be applied to physicians who document in writing to Galen that they are willing to receive and read risk management materials, such as practice pointers and newsletters prepared monthly by Galen's claims personnel management team, and agree to allow open communication between claims management and the Physician(s) to discuss how loss avoidance or minimization skills can be developed and enhanced to reduce loss exposures and claims.	5%

## Neuman, Gayle

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**From:** Neuman, Gayle  
**Sent:** Tuesday, September 27, 2011 8:10 AM  
**To:** Carmean, Caryn; Mamoottile, Neetha  
**Subject:** FW: Galen Insurance Company filing #5-2011  
**Attachments:** GalenFiling5-2011QuestionsLetter-Walling.pdf; Galenpg.pdf

Sorry – sent it before I was done by accident.

Please see Galendpg.pdf – these are apparently changes made in response to Walling's review. Please let me know if these pages are now ok.

*Gayle Neuman*

Illinois Department of Insurance  
(217)524-6497

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**From:** Neuman, Gayle  
**Sent:** Tuesday, September 27, 2011 8:08 AM  
**To:** Mamoottile, Neetha; Carmean, Caryn  
**Subject:** FW: Galen Insurance Company filing #5-2011

I am reviewing this filing. They made changes to a page which I questioned – their response (seen below) is that changes were in response to Robert Walling's review.

*Gayle Neuman*

Illinois Department of Insurance  
(217)524-6497

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**From:** Jonathan Andres [<mailto:Andres@stlouislaw.com>]  
**Sent:** Tuesday, September 27, 2011 7:02 AM  
**To:** Neuman, Gayle  
**Subject:** RE: Galen Insurance Company

Dear Ms. Neuman,

I was out of the office yesterday afternoon and am now responding to the question raised in your email to me of September 26, 2011, Galen added to 8.C at the top of page IL-18 a rating rule to explain the application of the loss free credit in section 8.C. to address Mr. Walling's question #1 in his letter to Galen of September 16, 2011. I am enclosing a copy of Mr. Walling's letter and Galen's response by attachment to this email.

Sincerely,

Jonathan Andres  
General Counsel  
Galen Companies  
(314) 862-6800

Green Jacobson PC  
7733 Forsyth, Suit 700  
St. Louis, MO 63105



**From:** Neuman, Gayle [<mailto:Gayle.Neuman@illinois.gov>]  
**Sent:** Mon 9/26/2011 2:50 PM  
**To:** Jonathan Andres  
**Subject:** RE: Galen Insurance Company

Mr. Andres,

Please explain the additional changes made to page IL-18. Pursuant to 50 Ill. Adm. Code 754.10, identification of all changes in all superseding filings, as well as identification of all superseded filings is required.

*Gayle Neuman*

Illinois Department of Insurance  
(217)524-6497

---

**From:** Jonathan Andres [<mailto:Andres@stlouislaw.com>]  
**Sent:** Monday, September 26, 2011 1:50 PM  
**To:** Neuman, Gayle  
**Subject:** Galen Insurance Company

Dear Ms. Neuman,

Please find attached revised pages IL-2, IL-18 and additional page IL-22 of Galen's 5-2011 Illinois Rating Plan for Physicians and Surgeons professional liability insurance coverage. The revised page IL-18 reflects the removal of the debits column for loss free credits as you point out in point 3. of your email of September 15, 2011 and a separate page IL-22 includes the premium installment payments option for the insured. Page IL-2, Table of Contents has also been amended to reflect this addition as item 13. Premium Installment Payment Option.

Please let me know if you have any questions.

Sincerely,

Jonathan Andres  
General Counsel  
Galen Companies  
(314) 862-6800

Green Jacobson PC  
7733 Forsyth, Suit 700  
St. Louis, MO 63105



2817 Reed Road, Suite 2 • Bloomington, IL 61704-8295  
P.O. Box 6139 • Bloomington, IL 61702-6139  
Phone: (309) 807-2320 • Fax: (309) 807-2306

Robert J. Walling III, FCAS, MAAA  
rwalling@pinnacleactuarial.com

September 16, 2011

Mr. Scott Perhacs  
Galen Insurance Company  
6822 Delmar Blvd.  
Saint Louis, MO 63130  
[delivered via email to [sperhacs@galeninsurance.com](mailto:sperhacs@galeninsurance.com)]

Re: Illinois Physicians & Surgeons Rate Filing 5-2011

Dear Mr. Perhacs:


Pinnacle Actuarial Resources, Inc. (Pinnacle) has been retained by the Illinois Department of Insurance to review the actuarial aspects of medical professional liability insurance rate filings under their regulatory jurisdiction. In the course of our review, we have identified a number of issues that prevent us from being able to recommend acknowledgement of the filing without further support. The issues include the following:

1. Please explain the application of the loss free credit in section 8.C. There does not appear to be any rating rule to describe the application of this rating element. Specifically, how could being claims-free result in a rating debit?
2. Please clarify the consideration of part-time physicians in the Group Size credit in rule 8.E. Are they counted as equivalent to a full time physician of some portion of a full time equivalent?
3. The group size discount is described in the filing as being something which "our (Galen's) competitors have utilized." Please provide additional information on the competitive basis for the proposed factors.
4. The introduction of the mandatory group size rating and mandatory risk management credits would appear to have the impact of reducing premiums. In addition, the changes in the applicable range of schedule credits and debits may have an impact on expected premium levels. However, the filing states that "(t)here is no overall rate level impact based on the changes being submitted in this filing." Please explain.

Please review the previous items and either provide additional support or make the necessary revisions to the filing to address these concerns. We expected to receive a response within five business days of this request, in this case **we will expect a response no later than September 23, 2011**. We will make every effort to review additional information promptly to avoid delays in the implementation of your filing.

If you have any additional questions or comments, please do not hesitate to contact me at 309.807.2320 or [rwalling@pinnacleactuaries.com](mailto:rwalling@pinnacleactuaries.com).

Best regards,

A handwritten signature in black ink that reads "Robert J. Walling III". The signature is written in a cursive, flowing style with a distinct "III" at the end.

Robert J. Walling, FCAS, MAAA  
Principal and Consulting Actuary

cc: Caryn Carmean, Illinois Department of Insurance

## Neuman, Gayle

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**From:** Jonathan Andres [Andres@stlouislaw.com]  
**Sent:** Thursday, September 29, 2011 3:37 PM  
**To:** Neuman, Gayle  
**Subject:** RE: Galen Insurance Company - Illinois revised rate filing 5-2011  
**Attachments:** Revised IL-18 with % after #1, 2, 3 and 4.pdf

Dear Ms. Neuman,

The omission of the 8.D.credits on page IL-18 was a typo and have been restored to those in the original 5-2011 rate filing. Please see the attached IL-18 rate page. Galen apologizes for the inadvertent error and appreciates your pointing it out.

Sincerely,

Jonathan F. Andres  
General Counsel  
Galen Companies

Green Jacobson PC  
7733 Forsyth, Suite 700  
St. Louis, MO 63105  
(314) 862-6800  
(314) 862-1606 facsimile

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Thursday, September 29, 2011 1:09 PM  
**To:** Jonathan Andres  
**Subject:** RE: Galen Insurance Company - Illinois revised rate filing 5-2011

Mr. Andres,

Your e-mail references section 8.C. Why were the credit percentages removed from section 8.D? Please advise.

*Gayle Neuman*

Illinois Department of Insurance  
(217)524-6497

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**From:** Jonathan Andres [mailto:Andres@stlouislaw.com]  
**Sent:** Thursday, September 29, 2011 12:52 PM  
**To:** Neuman, Gayle; rwalling@pinnacleactuaries.com  
**Subject:** Galen Insurance Company - Illinois revised rate filing 5-2011

Dear Ms. Neuman and Mr. Walling:

Because Galen has received questions from both Mr. Walling and Ms. Neuman on the captioned filing, I thought it best to make you both aware of the questions raised and Galen's response to the respective inquiries. I have therefore provided Ms. Neuman with a copy of Mr. Walling's September 16, 2011 letter on

which Ms. Carmean was copied, and by attachment hereto, I am providing copies of all correspondence Galen has received and Galen's responses to both Mr. Walling's questions and those raised by Ms. Neuman.

I also wanted to make clear that the additional language contained at 8.C of the filing at page IL-18, is in response to Mr. Walling's question no. 1, which asked for an explanation of the application of the loss free credit and a rating rule to describe the application of this rating element. Galen had previously considered any indemnity payment to be a loss and had determined the number of indemnity free years from the period the applicant became insured to the policy inception or renewal date as stated on the current page IL-18 of the filing. It was our belief that this was an adequate statement of the rating rule for the application of this rating element. However, in response to Mr. Walling's question no. 1, which notes that "There does not appear to be any rating rule to describe the application of this rating element," we are providing a more specific explanation of the rule by which Galen determined loss free status based on period of experience. The only change Galen is proposing to this rule in the superseding filing is that a loss involve an indemnity payment above \$20,000, as opposed to any indemnity payment, which is the current criterion for determining a loss. Galen has not used the proposed \$20,000 indemnity payment in determining loss free to date.

I thought this would help clarify the responses to the questions and keep everyone informed of both the questions and responses to date.

Sincerely,

Jonathan F. Andres  
General Counsel  
Galen Companies

Green Jacobson PC  
7733 Forsyth, Suite 700  
St. Louis, MO 63105  
(314) 862-6800  
(314) 862-1606 facsimile

C. **Loss Free Credit.** Loss free status is determined as of the date the applicant for new or renewal coverage first became insured with a carrier and no credit is applied for any period during which the applicant was uninsured or bare. A "loss" means any indemnity payment above \$20,000 and if a loss occurs during the Galen Insurance Company policy term, the loss free credit reverts back to zero on renewal.

Years Loss Free at Policy Inception or Renewal Date	Credit
1 Year	5%
2 Years	6%
3 Years	7%
4 Years	8%
5 Years	9%
6+ Years	10%

D. **Completion of Training/Education/Accreditation and Participation in Galen Risk Management Activities Program.**

The discounts in D. 1-4 below shall only apply to physicians in at least their third year of maturity at the inception of coverage. A physician may only qualify for one of the credits specified below in D.1 or 2.

1. **Board Certified** Board Certified in specialty area in which the physician currently practices and is applying for coverage.
2. **Board Eligible** Board Eligible in specialty area in which physician currently practices and is applying for coverage by having completed both an internship and full residency program subsequent to medical school graduation and otherwise has met and complied with all other pre-requisites required to sit for the Board Examination.
3. **Continuing Medical Education** Continuing Medical Education. This credit would be applied to physicians who have completed at least thirty (30) annual hours of continuing medical education and have provided Galen Insurance Company with written documentation confirming such completion.
4. **Risk Management Activities Discount** Participation in Galen Insurance Company Risk Management Program. This discount would be applied to physicians who document in writing to Galen that they are willing to receive and read risk management materials, such as practice pointers and newsletters prepared monthly by Galen's claims personnel management team, and agree to allow open communication between claims management and the Physician(s) to discuss how loss avoidance or minimization skills can be developed and enhanced to reduce loss exposures and claims.

**Galen Insurance Company  
Physician Professional Liability  
Premium Rating Plan  
Illinois State Rules**

May 2011

IL - 1

**FILED**  
APR 21 2011  
STATE OF ILLINOIS  
DEPARTMENT OF REVENUE

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# Class Definitions

Specialty Code	Class	Specialty Code	Class	Specialty Code	Class
80101	5	80225	1	80274	3
80102	6	80229	1	80276	3
80103	5	80230	2	80277	3
80104	5	80231	2	80278	3
80105	5	80232	1	80279	3
80106	5	80233	1	80280	3
80107	5	80234	2	80281	3
80108	7	80235	2	80282	3
80114	3	80236	1	80283	3
80115	5	80237	2	80284	3
80117	6	80238	2	80285	3
80141	8	80240	1	80286	3
80143	7	80241	2	80287	3
80144	8	80243	2	80288	3
80145	5	80244	2	80289	3
80146	8	80245	2	80290	3
80148	9	80246	2	80291	3
80150	8	80247	2	80292	3
80151	4	80248	2	80293	3
80152	10	80249	1	80294	3
80153	9	80250	2	80354	7
80154	8	80251	2	80420	2
80155	7	80252	2	80421	5
80156	7	80253	3	80422	5
80157	7	80254	1	80423	3
80158	5	80255	2	80424	2
80159	5	80256	1	80425	3
80162	3	80257	2	80428	3
80164	7	80258	2	80431	2
80166	8	80259	2	80434	3
80167	6	80260	2	80437	4
80168	9	80261	3	80440	5
80169	7	80262	2	80443	5
80170	7	80263	2	80446	3
80171	8	80264	2	80449	2
80178	1	80265	2	80469	2
80190	9	80266	1	80471	3
80194	5	80267	2	80473	2
80195	5	80268	2	80474	7
80211	5	80269	1	80476	9
80220	1	80270	3	80491	6
80222	2	80271	3	80501	7
80224	1	80272	5		

For other specialties refer to Company

For Doctors of Osteopathy (DO) exposures (class codes 84xxx), use same class as shown above and same rate as displayed in Exhibit 1.

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# Specialty Codes and Descriptions

Specialty Code	Specialty/Description
80229	Addictionology
80178	Administrative Medicine
80230	Aerospace Medicine
80254	Allergy
80151	Anesthesiology including Pain Medicine
80101	Broncho - Esophagology
80281	Cardiovascular Disease - Minor Surgery
80255	Cardiovascular Disease - No Surgery
80282	Dermatology - Minor Surgery
80256	Dermatology - No Surgery
80195	Dermatology - Surgery with Liposuction
80271	Diabetes - Minor Surgery
80237	Diabetes - No Surgery
80157	Emergency Medicine - Including Major Surgery
80102	Emergency Medicine - No Major Surgery
80272	Endocrinology - Minor Surgery
80238	Endocrinology - No Surgery
80420	Family or General Practice (excl. OB) - No Surgery
80421	Family or General Practice (incl. OB) - Minor Surgery
80423	Family or General Practice (non ER) - Minor Surgery
80240	Forensic Medicine; Legal Medicine
80274	Gastroenterology - Minor Surgery
80241	Gastroenterology - No Surgery
80231	General Preventive Medicine - No Surgery
80276	Geriatrics - Minor Surgery
80243	Geriatrics - No Surgery
80277	Gynecology - Minor Surgery
80244	Gynecology - No Surgery
80278	Hematology - Minor Surgery
80245	Hematology - No Surgery
80222	Hospitalists
80232	Hypnosis
80279	Infectious Diseases - Minor Surgery
80246	Infectious Diseases - No Surgery
80283	Intensive Care Medicine
80284	Internal Medicine - Minor Surgery
80257	Internal Medicine - No Surgery
80440	Laparoscopy
80285	Laryngology - Minor Surgery
80258	Laryngology - No Surgery
80434	Lymphangography/Phlebography w/o Catheters
80211	Maxiofacial Surgery
80446	Needle Biopsy
80471	Neonatology
80286	Neoplastic Diseases - Minor Surgery

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APR 21 2011

# Specialty Codes and Descriptions

Specialty Code	Specialty/Description
80259	Neoplastic Diseases - No Surgery
80287	Nephrology - Minor Surgery
80260	Nephrology - No Surgery
80288	Neurology - Including Child - Minor Surgery
80261	Neurology - Including Child - No Surgery
80262	Nuclear Medicine
80248	Nutrition
80233	Occupational Medicine
80473	Oncology - No Surgery
80289	Ophthalmology - Minor Surgery
80263	Ophthalmology - No Surgery
80354	Orthopedic - Minor Surgery
80469	Orthopedics - No Surgery
80290	Otology - Minor Surgery
80264	Otology - No Surgery
80291	Otorhinolaryngology - Minor Surgery
80265	Otorhinolaryngology - No Surgery
80437	Pain Management - No Major Surgery
80292	Pathology - Minor Surgery
80266	Pathology - No Surgery
80474	Pediatrics - Major Surgery
80293	Pediatrics - Minor Surgery
80267	Pediatrics - No Surgery
80220	Peer Review
80234	Pharmacology - Clinical
80235	Physiatry - No Surgery; Physical Medicine and Rehabilitation
80443	Physician - Minor Invasive; Colonoscopy/Esophageal
80422	Physicians - Major Invasive Procedures - No Surgery
80294	Physicians - Minor Surgery - Not Otherwise Classified
80268	Physicians - No Surgery - Not Otherwise Classified
80428	Pneumoencephalagraphy
80194	Pneumoencephalagraphy with Surgery
80249	Psychiatry - Including Child
80431	Psychiatry - Including Shock Therapy
80250	Psychoanalysis
80251	Psychosomatic Medicine
80236	Public Health
80269	Pulmonary Diseases - No Surgery
80425	Radiation Therapy
80280	Radiology - Diagnostic - Minor Surgery
80253	Radiology - Diagnostic - No Surgery
80491	Radiology - Major Invasive
80449	Radiopaque Dye Injections
80252	Rheumatology - No Surgery
80270	Rhinology - Minor Surgery

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# Specialty Codes and Descriptions

Specialty Code	Specialty/Description
80247	Rhinology - No Surgery
80162	Shock Therapy
80166	Surgery - Abdominal
80476	Surgery - Bariatrics
80141	Surgery - Cardiac
80150	Surgery - Cardiovascular Disease
80115	Surgery - Colon and Rectal
80103	Surgery - Endocrinology
80104	Surgery - Gastroenterology
80117	Surgery - General Practice or Family Practice
80105	Surgery - Geriatrics
80167	Surgery - Gynecology
80169	Surgery - Hand
80170	Surgery - Head and Neck
80106	Surgery - Laryngology
80107	Surgery - Neoplastic
80108	Surgery - Nephrology
80152	Surgery - Neurology - Including Child
80190	Surgery - Neurology - Limited to Surgery of Back
80143	Surgery - Not Otherwise Classified
80153	Surgery - OB/GYN
80168	Surgery - Obstetrics
80164	Surgery - Oncology
80114	Surgery - Ophthalmology
80154	Surgery - Orthopedic
80501	Surgery - Orthopedic - No Spine or Knee
80158	Surgery - Otology (no plastic surgery)
80159	Surgery - Otorhinolaryngology (no plastic surgery)
80156	Surgery - Plastic - Not Otherwise Classified
80155	Surgery - Plastic - Otorhinolaryngology
80144	Surgery - Thoracic
80171	Surgery - Traumatic
80145	Surgery - Urological
80146	Surgery - Vascular
80148	Surgery - Weight Reduction
80224	Utilization Management
80225	Utilization Review with or without Peer Review
80424	Urgent Care Physicians (non ER) - No Surgery

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APR 21 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

# Relativities for Miscellaneous Medical Professionals

Specialty	Relativity versus Class 2
Audiologist/Speech Pathologist	0.100
Cardiology Technician	0.025
Case Manager	0.015
Certified Nurse Midwife	3.000
Chiropractor	0.300
Clinical Laboratory Technician	0.025
Counselor	0.045
Dietitian	0.025
EKG Technician	0.015
Electroneurodiagnostic Technician	0.025
Licensed Practicing Nurse	0.015
Medical Laboratory Technician	0.025
Medical Office Assistant	0.030
Medical Records Technician	0.030
Nuclear Medicine Technician	0.025
Nurse Anesthetist/CRNA	0.700
Nurse Midwife Assistant	0.200
Nurse Practitioner	0.015
Nurse Surgical Assistant	0.200
Occupational Therapist	0.025
Occupational Therapy Assistant	0.015
Ophthalmology Technician	0.025
Optician	0.050
Optometrist	0.125
Paramedic/ emergency medical technician	0.150
Perfusionist	0.500
Pharmacist	0.020
Physical Therapist - Non Owner	0.025
Physical Therapist - Owner	0.015
Physical Therapy Assistant	0.015
Physician Assistant	0.200
Podiatrist - No Surgery	1.000
Podiatrist - with Surgery	1.500
Psychologist	0.100
Radiation Therapy Assistant	0.020
Registered Nurse	0.018
Respiratory Therapist	0.050
Respiratory Therapy Assistant	0.030
Social Worker	0.050
Surgeon Assistant	0.200
Surgical Technician	0.100
X-Ray Technician with Therapy	0.020
X-Ray Technician without Therapy	0.015

Premiums determined by multiplying the relativity to the otherwise applicable premium for a class 2 physician.

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APR 21 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE

Annual Base Rates - Effective April 1, 2009  
**Territory 1**

**A. \$200,000/\$600,000 Limits**  
Claims-Made Maturity

Class	1	2	3	4	5+
1	\$4,256	\$7,882	\$12,139	\$14,503	\$15,764
2	6,081	11,260	17,341	20,719	22,521
3	8,513	15,764	24,277	29,007	31,529
4	8,513	15,764	24,277	29,007	31,529
5	10,945	20,269	31,214	37,294	40,537
6	13,377	24,773	38,150	45,582	49,546
7	20,066	37,159	57,225	68,373	74,318
8	21,890	40,537	62,427	74,589	81,075
9	37,092	68,688	105,780	126,386	137,376
10	49,861	92,335	142,196	169,896	184,670

**B. \$500,000/\$1,500,000 Limits**  
Claims-Made Maturity

Class	1	2	3	4	5+
1	\$5,825	\$10,786	\$16,611	\$19,847	\$21,572
2	8,321	15,409	23,730	28,352	30,818
3	11,649	21,572	33,222	39,693	43,145
4	11,649	21,572	33,222	39,693	43,145
5	14,977	27,736	42,713	51,034	55,472
6	18,306	33,900	52,205	62,375	67,799
7	27,459	50,849	78,308	93,563	101,699
8	29,955	55,472	85,427	102,069	110,944
9	50,757	93,994	144,751	172,949	187,989
10	68,231	126,353	194,584	232,489	252,706

**C. \$1,000,000/\$3,000,000 Limits**  
Claims-Made Maturity

Class	1	2	3	4	5+
1	\$7,467	\$13,829	\$21,296	\$25,444	\$27,657
2	10,668	19,755	30,423	36,349	39,510
3	14,935	27,657	42,592	50,889	55,314
4	14,935	27,657	42,592	50,889	55,314
5	19,202	35,559	54,761	65,429	71,118
6	23,469	43,461	66,930	79,968	86,922
7	35,203	65,192	100,395	119,952	130,383
8	38,404	71,118	109,522	130,857	142,236
9	65,073	120,506	185,578	221,730	241,011
10	87,475	161,991	249,466	298,063	323,982

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## Territory 2

### A. \$200,000/\$600,000 Limits Claims-Made Maturity

Class	1	2	3	4	5+
1	\$4,044	\$7,488	\$11,532	\$13,778	\$14,976
2	5,777	10,697	16,474	19,683	21,395
3	8,087	14,976	23,063	27,556	29,953
4	8,087	14,976	23,063	27,556	29,953
5	10,398	19,255	29,653	35,430	38,510
6	12,708	23,534	36,243	43,303	47,068
7	19,063	35,301	54,364	64,954	70,602
8	20,796	38,510	59,306	70,859	77,021
9	35,237	65,254	100,491	120,067	130,507
10	47,368	87,718	135,086	161,401	175,436

### B. \$500,000/\$1,500,000 Limits Claims-Made Maturity

Class	1	2	3	4	5+
1	\$5,533	\$10,247	\$15,780	\$18,854	\$20,494
2	7,905	14,638	22,543	26,935	29,277
3	11,067	20,494	31,561	37,709	40,988
4	11,067	20,494	31,561	37,709	40,988
5	14,229	26,349	40,578	48,483	52,698
6	17,390	32,205	49,595	59,256	64,409
7	26,086	48,307	74,393	88,885	96,614
8	28,457	52,698	81,156	96,965	105,397
9	48,219	89,295	137,514	164,302	178,589
10	64,819	120,035	184,854	220,865	240,071

### C. \$1,000,000/\$3,000,000 Limits Claims-Made Maturity

Class	1	2	3	4	5+
1	\$7,094	\$13,137	\$20,231	\$24,172	\$26,274
2	10,134	18,767	28,902	34,532	37,535
3	14,188	26,274	40,462	48,344	52,548
4	14,188	26,274	40,462	48,344	52,548
5	18,242	33,781	52,023	62,157	67,562
6	22,295	41,288	63,583	75,970	82,576
7	33,443	61,932	95,375	113,955	123,864
8	36,484	67,562	104,046	124,314	135,124
9	61,819	114,480	176,300	210,644	228,960
10	83,101	153,891	236,993	283,160	307,783

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**Territory 3****A. \$200,000/\$600,000 Limits**  
Claims-Made Maturity

Class	1	2	3	4	5+
1	\$2,979	\$5,518	\$8,497	\$10,152	\$11,035
2	4,256	7,882	12,139	14,503	15,764
3	5,959	11,035	16,994	20,305	22,070
4	5,959	11,035	16,994	20,305	22,070
5	7,662	14,188	21,850	26,106	28,376
6	9,364	17,341	26,705	31,907	34,682
7	14,046	26,011	40,058	47,861	52,023
8	15,323	28,376	43,699	52,212	56,752
9	25,964	48,082	74,046	88,470	96,163
10	34,903	64,634	99,537	118,927	129,269

**B. \$500,000/\$1,500,000 Limits**  
Claims-Made Maturity

Class	1	2	3	4	5+
1	\$4,077	\$7,550	\$11,628	\$13,893	\$15,101
2	5,825	10,786	16,611	19,847	21,572
3	8,154	15,101	23,255	27,785	30,201
4	8,154	15,101	23,255	27,785	30,201
5	10,484	19,415	29,899	35,724	38,830
6	12,814	23,730	36,544	43,663	47,459
7	19,221	35,595	54,816	65,494	71,189
8	20,968	38,830	59,799	71,448	77,661
9	35,530	65,796	101,326	121,065	131,592
10	47,761	88,447	136,209	162,743	176,894

**C. \$1,000,000/\$3,000,000 Limits**  
Claims-Made Maturity

Class	1	2	3	4	5+
1	\$5,227	\$9,680	\$14,907	\$17,811	\$19,360
2	7,467	13,829	21,296	25,444	27,657
3	10,454	19,360	29,814	35,622	38,720
4	10,454	19,360	29,814	35,622	38,720
5	13,441	24,891	38,333	45,800	49,783
6	16,428	30,423	46,851	55,978	60,845
7	24,642	45,634	70,276	83,967	91,268
8	26,883	49,783	76,665	91,600	99,565
9	45,551	84,354	129,905	155,211	168,708
10	61,233	113,394	174,626	208,644	226,787

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APR 21 2011



**Territory 4**

**A. \$200,000/\$600,000 Limits**  
Claims-Made Maturity

Class	1	2	3	4	5+
1	\$2,682	\$4,966	\$7,647	\$9,137	\$9,932
2	3,831	7,094	10,925	13,053	14,188
3	5,363	9,932	15,295	18,274	19,863
4	5,363	9,932	15,295	18,274	19,863
5	6,895	12,769	19,665	23,495	25,538
6	8,428	15,607	24,035	28,717	31,214
7	12,642	23,410	36,052	43,075	46,821
8	13,791	25,538	39,329	46,991	51,077
9	23,368	43,274	66,641	79,623	86,547
10	31,412	58,171	89,583	107,035	116,342

**B. \$500,000/\$1,500,000 Limits**  
Claims-Made Maturity

Class	1	2	3	4	5+
1	\$3,669	\$6,795	\$10,465	\$12,503	\$13,591
2	5,242	9,708	14,950	17,862	19,415
3	7,339	13,591	20,930	25,007	27,181
4	7,339	13,591	20,930	25,007	27,181
5	9,436	17,474	26,909	32,152	34,947
6	11,533	21,357	32,889	39,296	42,713
7	17,299	32,035	49,334	58,945	64,070
8	18,872	34,947	53,819	64,303	69,895
9	31,977	59,216	91,193	108,958	118,433
10	42,985	79,602	122,588	146,468	159,205

**C. \$1,000,000/\$3,000,000 Limits**  
Claims-Made Maturity

Class	1	2	3	4	5+
1	\$4,704	\$8,712	\$13,416	\$16,030	\$17,424
2	6,721	12,446	19,166	22,900	24,891
3	9,409	17,424	26,833	32,060	34,848
4	9,409	17,424	26,833	32,060	34,848
5	12,097	22,402	34,499	41,220	44,804
6	14,785	27,380	42,166	50,380	54,761
7	22,178	41,071	63,249	75,570	82,141
8	24,194	44,804	68,999	82,440	89,609
9	40,996	75,918	116,914	139,690	151,837
10	55,109	102,054	157,164	187,780	204,109

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**Territory 5**

**A. \$200,000/\$600,000 Limits**  
Claims-Made Maturity

Class	1	2	3	4	5+
1	\$3,150	\$5,833	\$8,983	\$10,732	\$11,666
2	4,500	8,333	12,832	15,332	16,665
3	6,299	11,666	17,965	21,465	23,331
4	6,299	11,666	17,965	21,465	23,331
5	8,099	14,999	23,098	27,598	29,998
6	9,899	18,332	28,231	33,731	36,664
7	14,849	27,498	42,347	50,596	54,996
8	16,199	29,998	46,196	55,196	59,995
9	27,448	50,829	78,277	93,526	101,658
10	36,897	68,328	105,225	125,723	136,656

**B. \$500,000/\$1,500,000 Limits**  
Claims-Made Maturity

Class	1	2	3	4	5+
1	\$4,310	\$7,982	\$12,292	\$14,687	\$15,964
2	6,157	11,403	17,560	20,981	22,805
3	8,620	15,964	24,584	29,373	31,927
4	8,620	15,964	24,584	29,373	31,927
5	11,083	20,525	31,608	37,765	41,049
6	13,546	25,086	38,632	46,158	50,171
7	20,319	37,629	57,948	69,237	75,257
8	22,167	41,049	63,216	75,531	82,099
9	37,560	69,556	107,116	127,983	139,112
10	50,491	93,501	143,992	172,042	187,002

**C. \$1,000,000/\$3,000,000 Limits**  
Claims-Made Maturity

Class	1	2	3	4	5+
1	\$5,526	\$10,233	\$15,759	\$18,829	\$20,466
2	7,894	14,619	22,513	26,898	29,237
3	11,052	20,466	31,518	37,658	40,932
4	11,052	20,466	31,518	37,658	40,932
5	14,209	26,314	40,523	48,417	52,627
6	17,367	32,161	49,528	59,176	64,322
7	26,051	48,242	74,292	88,765	96,483
8	28,419	52,627	81,046	96,834	105,255
9	48,154	89,174	137,328	164,080	178,348
10	64,732	119,873	184,605	220,567	239,747

**FILED**

## Territory 6

### A. \$200,000/\$600,000 Limits Claims-Made Maturity

Class	1	2	3	4	5+
1	\$2,298	\$4,256	\$6,555	\$7,832	\$8,513
2	3,284	6,081	9,364	11,188	12,161
3	4,597	8,513	13,110	15,664	17,026
4	4,597	8,513	13,110	15,664	17,026
5	5,910	10,945	16,855	20,139	21,890
6	7,224	13,377	20,601	24,614	26,755
7	10,836	20,066	30,902	36,921	40,132
8	11,821	21,890	33,711	40,278	43,780
9	20,029	37,092	57,121	68,249	74,183
10	26,925	49,861	76,786	91,744	99,722

### B. \$500,000/\$1,500,000 Limits Claims-Made Maturity

Class	1	2	3	4	5+
1	\$3,145	\$5,825	\$8,970	\$10,717	\$11,649
2	4,493	8,321	12,814	15,310	16,642
3	6,291	11,649	17,940	21,434	23,298
4	6,291	11,649	17,940	21,434	23,298
5	8,088	14,977	23,065	27,559	29,955
6	9,885	18,306	28,191	33,683	36,612
7	14,828	27,459	42,286	50,524	54,917
8	16,176	29,955	46,131	55,117	59,910
9	27,409	50,757	78,166	93,393	101,514
10	36,845	68,231	105,075	125,544	136,461

### C. \$1,000,000/\$3,000,000 Limits Claims-Made Maturity

Class	1	2	3	4	5+
1	\$4,032	\$7,467	\$11,500	\$13,740	\$14,935
2	5,761	10,668	16,428	19,629	21,335
3	8,065	14,935	23,000	27,480	29,870
4	8,065	14,935	23,000	27,480	29,870
5	10,369	19,202	29,571	35,331	38,404
6	12,673	23,469	36,142	43,183	46,938
7	19,010	35,203	54,213	64,774	70,407
8	20,738	38,404	59,142	70,663	76,807
9	35,139	65,073	100,212	119,734	130,146
10	47,237	87,475	134,712	160,954	174,950

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# **Territory 7**

## **A. \$200,000/\$600,000 Limits**

Claims-Made Maturity

Class	1	2	3	4	5+
1	\$3,618	\$6,700	\$10,318	\$12,328	\$13,399
2	5,169	9,571	14,740	17,611	19,143
3	7,236	13,399	20,635	24,656	26,800
4	7,236	13,399	20,635	24,656	26,800
5	9,303	17,229	26,532	31,700	34,456
6	11,370	21,057	32,428	38,745	42,114
7	17,056	31,585	48,641	58,117	63,170
8	18,607	34,456	53,063	63,401	68,914
9	31,528	58,385	89,913	107,428	116,770
10	42,382	78,485	120,867	144,412	156,970

## **B. \$500,000/\$1,500,000 Limits**

Claims-Made Maturity

Class	1	2	3	4	5+
1	\$4,951	\$9,168	\$14,119	\$16,870	\$18,336
2	7,073	13,098	20,171	24,099	26,195
3	9,902	18,336	28,239	33,739	36,673
4	9,902	18,336	28,239	33,739	36,673
5	12,730	23,576	36,306	43,379	47,151
6	15,560	28,815	44,374	53,019	57,629
7	23,340	43,222	66,562	79,529	86,444
8	25,462	47,151	72,613	86,759	94,302
9	43,143	79,895	123,038	147,007	159,791
10	57,996	107,400	165,396	197,616	214,800

## **C. \$1,000,000/\$3,000,000 Limits**

Claims-Made Maturity

Class	1	2	3	4	5+
1	\$6,347	\$11,755	\$18,102	\$21,627	\$23,508
2	9,068	16,792	25,860	30,897	33,584
3	12,695	23,508	36,203	43,256	47,017
4	12,695	23,508	36,203	43,256	47,017
5	16,322	30,225	46,547	55,615	60,450
6	19,949	36,942	56,891	67,973	73,884
7	29,923	55,413	85,336	101,959	110,826
8	32,643	60,450	93,094	111,228	120,901
9	55,312	102,430	157,741	188,471	204,859
10	74,354	137,692	212,046	253,354	275,385

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## Territory 8

**A. \$200,000/\$600,000 Limits**

## Claims-Made Maturity

Class	1	2	3	4	5+
1	\$3,830	\$7,094	\$10,925	\$13,053	\$14,188
2	5,473	10,134	15,607	18,647	20,269
3	7,662	14,188	21,849	26,106	28,376
4	7,662	14,188	21,849	26,106	28,376
5	9,851	18,242	28,093	33,565	36,483
6	12,039	22,296	34,335	41,024	44,591
7	18,059	33,443	51,503	61,536	66,886
8	19,701	36,483	56,184	67,130	72,968
9	33,383	61,819	95,202	113,747	123,638
10	44,875	83,102	127,976	152,906	166,203

**B. \$500,000/\$1,500,000 Limits**

## Claims-Made Maturity

Class	1	2	3	4	5+
1	\$5,243	\$9,707	\$14,950	\$17,862	\$19,415
2	7,489	13,868	21,357	25,517	27,736
3	10,484	19,415	29,900	35,724	38,831
4	10,484	19,415	29,900	35,724	38,831
5	13,479	24,962	38,442	45,931	49,925
6	16,475	30,510	46,985	56,138	61,019
7	24,713	45,764	70,477	84,207	91,529
8	26,960	49,925	76,884	91,862	99,850
9	45,681	84,595	130,276	155,654	169,190
10	61,408	113,718	175,126	209,240	227,435

**C. \$1,000,000/\$3,000,000 Limits**

## Claims-Made Maturity

Class	1	2	3	4	5+
1	\$6,720	\$12,446	\$19,166	\$22,900	\$24,891
2	9,601	17,780	27,381	32,714	35,559
3	13,442	24,891	38,333	45,800	49,783
4	13,442	24,891	38,333	45,800	49,783
5	17,282	32,003	49,285	58,886	64,006
6	21,122	39,115	60,237	71,971	78,230
7	31,683	58,673	90,356	107,957	117,345
8	34,564	64,006	98,570	117,771	128,012
9	58,566	108,455	167,020	199,557	216,910
10	78,728	145,792	224,519	268,257	291,584

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### 3. Claims Made Step Factors

The year of maturity is determined by the number of years from the retroactive date until the effective date of coverage.

<u>Year of Maturity</u>	<u>Step Factor</u>
1	.35
2	.63
3	.87
4	.95
5	1.00

### 4. Increased Limits Factors

<u>Limits</u>	<u>ILF</u>
\$ 200,000/\$ 600,000	.57
\$ 500,000/\$1,500,000	.80
\$1,000,000/\$3,000,000	1.00

### 5. Territory Factors

Illinois Territory Definitions and Relativities		
<u>Territory</u>	<u>Description</u>	<u>Territory Relativity</u>
1	Cook, St. Clair, Madison and Will Counties	1.00
2	Jackson County	0.95
8	Lake and Vermillion Counties	0.90
7	Kane, McHenry, and Winnebago Counties	0.85
5	DuPage and Kankakee Counties	0.74
3	DeKalb, Effingham, Ogle, and Randolph Counties	0.70
4	Sangamon County	0.63
6	Remainder of Counties not Listed	0.54

### 6. Policy Writing Minimum Premium

The minimum premium applicable to any one policy is \$1,000

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## 7. Extended Reporting Period Coverage Factors

### A. Unlimited Reporting Period

<u>Years of Prior Claims Made Coverage</u>	<u>Factor</u>
1	1.2
2	1.8
3	2.1
4+	2.5

### B. Three Year Reporting Period

<u>Years of Prior Claims Made Coverage</u>	<u>Factor</u>
1	.65
2	1.15
3	1.45
4+	1.75

## 8. Premium Modifiers

### A. Part-time Practice

<u>Number of Hours Worked Per Year</u>	<u>Modifier</u>
> 1500	None
1250 to 1500	.90
1000 to 1249	.80
750 to 999	.70
500 to 749	.60
Up to 499	.50

### B. Leave of Absence

In the event of a leave of absence, a 50% credit applies unless the leave is due to an absence required by the military, in which case a 100% credit will apply.

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C. **Loss Free Credit.** Loss free status is determined as of the date the applicant for new or renewal coverage first became insured with a carrier and no credit is applied for any period during which the applicant was uninsured or bare. A "loss" means any indemnity payment above \$20,000 and if a loss occurs during the Galen Insurance Company policy term, the loss free credit reverts back to zero on renewal.

Years Loss Free at Policy Inception or Renewal Date	Credit
1 Year	5%
2 Years	6%
3 Years	7%
4 Years	8%
5 Years	9%
6+ Years	10%

D. **Completion of Training/Education/Accreditation and Participation in Galen Risk Management Activities Program.**

The discounts in D. 1-4 below shall only apply to physicians in at least their third year of maturity at the inception of coverage. A physician may only qualify for one of the credits specified below in D.1 or 2.

		Credit
1. Board Certified	Board Certified in specialty area in which the physician currently practices and is applying for coverage.	15%
2. Board Eligible	Board Eligible in specialty area in which physician currently practices and is applying for coverage by having completed both an internship and full residency program subsequent to medical school graduation and otherwise has met and complied with all other pre-requisites required to sit for the Board Examination.	7.5%
3. Continuing Medical Education	Continuing Medical Education. This credit would be applied to physicians who have completed at least thirty (30) annual hours of continuing medical education and have provided Galen Insurance Company with written documentation confirming such completion.	5%
4. Risk Management Activities Discount	Participation in Galen Insurance Company Risk Management Program. This discount would be applied to physicians who document in writing to Galen that they are willing to receive and read risk management materials, such as practice pointers and newsletters prepared monthly by Galen's claims personnel management team, and agree to allow open communication between claims management and the Physician(s) to discuss how loss avoidance or minimization skills can be developed and enhanced to reduce loss exposures and claims.	5%

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STATE OF ILLINOIS  
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#### E. Group Size Credit

This discount is based solely upon the size of the group. It applies to both full-time and part-time Physicians.

Group Size	Discount
10 – 20 Physicians	10%
21 – 30 Physicians	15%
31 + Physicians	20%

#### F. Deductible Credit

Policy Limits	Deductible	Premium Credit
\$200,000/\$600,000	\$1,000	1.6%
	\$2,000	3.0%
	\$3,000	4.2%
	\$4,000	5.4%
	\$5,000	6.7%
	\$6,000	7.7%
	\$7,000	8.8%
	\$8,000	9.8%
	\$9,000	10.9%
	\$10,000	11.9%
\$500,000/\$1,500,000	\$1,000	1.2%
	\$2,000	2.2%
	\$3,000	3.1%
	\$4,000	4.0%
	\$5,000	4.9%
	\$6,000	5.6%
	\$7,000	6.4%
	\$8,000	7.2%
	\$9,000	7.9%
	\$10,000	8.7%
\$1,000,000/\$3,000,000	\$1,000	0.9%
	\$2,000	1.7%
	\$3,000	2.4%
	\$4,000	3.1%
	\$5,000	3.8%
	\$6,000	4.4%
	\$7,000	5.0%
	\$8,000	5.6%
	\$9,000	6.2%
	\$10,000	6.8%
	\$50,000	21.0%
	\$100,000	32.0%
	\$250,000	56.0%

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Notes: The deductible applies to indemnity and defense costs combined. The premium credit applies after all other premium calculations have been made.

#### G. Consent to Settle Waiver

When the "Consent to Settle" provision is waived, a credit of 10% applies.

#### H. Schedule Rating for Individuals

The maximum total of credits or debits under this section is 25%.

Risk Characteristic	Credit	Debit
Patient Rapport and Procedures: Length of service and reputation in the community. Established policies and procedures for patient services must be in place, cooperation with Galen Insurance Company claims management and defense counsel in the handling and resolution of claims.	Up to 12.5%	Up to 12.5%
Record-Keeping and Follow-Up Procedures: A well-maintained patient record system in place, thorough documentation of patient care and a follow-up system for diagnostic studies, consultations and appointments, system in place for dealing with dissatisfied or disgruntled patients.	Up to 12.5%	Up to 12.5%

### 9. Entity Coverage

Coverage can be provided for entities associated with covered physicians, at an additional premium calculated by using percentages of the total premium for all the physicians in the group.

Shared Limits: 4% of the total premium charged the physicians.

Separate Limits:

If an Entity has fewer than 9 physicians: no lower than 8% and no more than 20%.

Factors Galen will take into consideration when considering what entity premium to charge are:

- Specialty of the physicians associated with the Entity.
- Location/Locations of the Entity.
- Number of Claims filed against the physicians associated with the Entity.
- Actual Losses Paid by the physicians associated with the Entity.
- Size of the Entity.
- Total Premium generated by the physicians from the Entity.

If the Entity has over 10 physicians: no lower than 5% and no more than 20%.

The same factors listed above will be used to determine what percentage of the total physicians' premium will be charged as the entity premium.

Class code 80999.

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## 10. Medical Facilities

Coverage can be provided for associated facilities using the following additional charges:

<u>Facility</u>	<u>Class Code</u>	<u>Ratings Base</u>	<u>Charge</u>
Cardiac Rehabilitation	88501	per 100 visits	\$126.95
Cardiology Testing Center	88528	per 100 visits	\$79.46
Medical Laboratory	88516	per \$1,000 receipts	\$6.01
Mental Health Counseling	88517	per 100 visits	\$132.58
Pharmacy	88521	per \$1,000 receipts	\$5.28
Physical/Occupational Rehab	88522	per 100 visits	\$82.33
Routine Clinical Path. Lab	88523	per \$1,000 receipts	\$5.29
Surgicenter, Type A	88524	per 100 visits	\$597.13
Surgicenter, Type B	88524	per 100 visits	\$1,314.84
Urgent Care Center	88525	per 100 visits	\$591.73
X-Ray /Imaging Lab	88526	per \$1,000 receipts	\$5.05

The company will require insured facilities to demonstrate that all physicians and allied medical professionals using the facility have adequate professional liability insurance.

## 11. Maturity Schedule for Medical Facilities

The company will use the following three-year maturity schedule when rating new medical facilities or facilities that do not need prior acts coverage.

<u>Year of Maturity</u>	<u>Factor</u>
1	.40
2	.80
3	1.00

## 12. Short-Rates

The company reserves the right to charge 10% of unearned premium, treating it as earned in the event of cancellation by the Policyholder prior to the normal expiration date of the policy.

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## **Premium Installment Payments Option**

### **13. Premium Payment Installment Options**

Galen Insurance Company offers the following premium payment installment options to its insureds. These options do not apply to Claims-Made Reporting Period Extensions ("tail coverage").

- a. 4-pay quarterly option: 25% down payment due as deposit premium with three equal installments of 25% due 3, 6 and 9 months following the policy effective date.
- b. 4-pay quarterly option: 40% down payment due as deposit premium with three equal installments of 20% due 3, 6 and 9 months following the policy effective date.

Galen Insurance Company will not apply a service charge or fee to any of the above premium payment installment plan options.

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STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS